

M e m o r a n d u m

To: Panel Members Date: June 22, 2007

From: Ruby Cohen, Manager Analyst: J. Daunt

Subject: One-Step Agreement for **COMPUTER TUTOR BUSINESS AND TECHNICAL INSTITUTE (HUA) (SET) (W2W)**

CONTRACTOR:

- Multiple Employer: Training Agency
- Training Project Profile: Job Creation: Training Of Unemployed Workers
SET - Workers In High Unemployment Areas
Welfare To Work
- Legislative Priorities: Displaced/Potentially Displaced Workers
- Type of Industry: Various Industries
- Repeat Contractor: Yes
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

CONTRACT:

- Program Costs: \$360,060
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$4,890
- Total ETP Funding: \$364,950
- Total In-kind Contribution: \$195,500
 - *Trainee Wages Paid During Training:* \$103,000
 - *Other Contributions:* \$92,500
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Stanislaus, Calaveras, Madera, Merced, San Joaquin, Tuolumne
- Location of Training: 100% Center Based; 0% Employer Site

INTRODUCTION:

This will be the fifth ETP-funded training Agreement with Computer Tutor Business and Technical Institute (Computer Tutor), a training agency that has been accredited through Accrediting Commission of Career Schools and Colleges of Technology (ACCSC). The ACCSC is recognized by the U.S. Department of Education as a national accrediting agency for private, postsecondary institutions offering occupational vocational programs. In addition, Computer Tutor operates under valid, current institutional approval by the California Bureau for Private Postsecondary and Vocational Education.

Computer Tutor is eligible to contract with ETP under California Unemployment Insurance Code 10205(c)(2) as a training agency that has been in business for at least two years, with BPPVE approval and a history of successful new-hire placements. Computer Tutor qualifies for funding under Title 22, California Code of Regulations (CCR), Section 4409(a)(5), Special Employment Training (SET), for frontline workers in high unemployment areas of the State.

Computer Tutor is proposing to train 75 unemployed individuals, including 15 (20 percent) who are or have recently been CalWORKS recipients, either as administrative accounting technicians, or as medical office administrative staff. The objective of the training is to provide unemployed individuals with the occupational skills and knowledge to succeed as a full-time employee in an office workplace environment.

MEETING ETP GOALS AND OBJECTIVES:

Computer Tutor proposes training that will further the following ETP goals and objectives:

- 1) Target up to 10 percent of available Economic Development funds for training and employment of unemployed workers in occupations where employer demand exists for secure jobs.
- 2) Target available training funds for workers in high unemployment areas.
- 3) Provide CalWORKS recipients and recent exhaustees with the skills to attain stable full-time employment in jobs with opportunities for career advancement.

TRAINING PLAN TABLE:

Job Number / Trainee Type	Types Of Training	No. Retain	No. Class / Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 / SET New Hire HUA	MENU: Business Skills Computer Skills	60	278	0	\$4,726	*\$10.13-\$14.75
Job Number 2 / New Hire Welfare to Work (W2W)	MENU: Business Skills Computer Skills	15	300	0	\$5,589	*\$9.00-\$14.00
Wages After 90-Day Retention						
<u>Occupations</u>						
Medical Office Administrative Staff Administrative Accounting Technician						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>				<u>Turnover Rate</u>	<u>% Of Mgrs & Supervisors To Be Trained:</u>	
* Employer-provided health, dental, and/or vision benefits vary by participating employer and may be added to the base wages to satisfy the ETP minimum hourly wage of \$10.13 for Job Number 1 and \$9.00 for Job Number 2 in the counties served.				20%	0%	
<u>Other Employee Benefits:</u> Varies by participating employer.						

COMMENTS / ISSUES:

➤ ***Frontline Workers***

All participants in this project meet the Panel definition of frontline workers under Title 22, CCR, Section 4400(ee).

➤ ***Production During Training***

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

➤ ***W2W Trainee Wage Waiver Request***

The ETP new hire minimum hourly wage for the counties served under this proposal is \$10.13. For Job #2 welfare-to-work trainees only, Computer Tutor is requesting a wage waiver to \$9.00 per hour after retention, including health benefits, due to difficulties in serving this segment of the population. The amount is within the 25% differential set forth in the Panel's pilot program W2W guidelines. Trainees in Job #1 are not included in this request, and will be placed at \$10.13 or more per hour, including health benefits.

COMMENTS / ISSUES: (continued)

➤ ***Incidental Placement Waiver Request***

Title 22, CCR, Section 4401.5(c) allows a contractor to place up to 20 percent of the total new-hire trainees with a public entity or nonprofit organization that has elected an alternate method of financing its liability for Unemployment Insurance. Consistent with current ETP W2W guidelines, Computer Tutor is requesting a waiver to this regulation, in order to allow an "incidental placement" of up to 25 percent of the total W2W trainees (maximum of three (3) out of the total of 15 in Job #2) with public entities or nonprofit organizations, to provide additional opportunities for success among this hard-to-serve trainee population.

➤ ***Justification of Higher Cost for W2W Trainees***

The Panel's policy for Multiple Employer Contracts requires that when the requested per trainee cost is more than double the ETP average cost, currently \$4,740 per trainee, the contractor must provide justification of the high cost. In addition to the fact that the curriculum for all trainees is concentrated and customized, utilizes components from multiple courses, and includes a series of high-level modules that respond to employer needs, the training plan includes a job number (Job #2) for Welfare to Work trainees, per Panel policy. Only the Welfare to Work trainees will receive the additional class/lab training hours that would put the cost per trainee over the \$4,740 figure.

Computer Tutor representatives state that in their experience, these trainees often need additional classroom training, which has been added to the total hours, as well as individual instruction and help, which have not. Specifically, the representatives report that in Computer Tutor's previous ETP Agreement, nine (9) W2W trainees were trained and placed – just over 20% of the trainee population. The representatives add that these were individuals with multiple barriers to employment: lack of work experience, sparse occupational skills, transportation problems, housing problems, day care problems, mental health conditions, etc. The representatives state that they expect similar challenges with the 15 W2W trainees included in the current proposal. Although Computer Tutor is eligible to receive 12% in support costs due to the difficulty in training and placing the W2W trainees, they are only asking for the standard 8% in an effort to keep the cost per trainee at a lower rate.

The contractor will be providing an additional in-kind contribution for the Welfare to Work trainees that is difficult to quantify, while including only 22 additional hours of training in this application, per trainee, above and beyond the 278 hours for the regular-funded trainees in Job # 1. This serves to keep the costs down while serving the needs of those who would be moved, through the training included in this proposal, from welfare to work. In addition, the representatives state that for those entering employment as medical office specialty staff or in administrative accounting positions, as covered under this proposal, there is a high degree of upward career mobility and employment stability available to successful employees, including significant increases in income in the long term.

RECOMMENDATION:

Staff recommends the Panel approve the higher cost for the W2W trainees; allow up to 25% of the total number of trainees placed with a public entity or nonprofit organizations; and, approve this proposal based on the documented needs of participating employers to hire qualified, trained employees for full-time occupations in areas where unemployment rates are perennially high and where employers encounter difficulties in finding qualified candidates for unfilled positions. The proposal includes training for 15 CalWORKs recipients, providing them with the skills necessary to attain secure full-time employment.

NARRATIVE:

In business for over 20 years, and located in Modesto, Computer Tutor is a vocational business school and software training company, offering training in skills that lead to employment. Computer Tutor officials state that long-term, successful relationships have been established between the school and area businesses, including medical and accounting businesses that are in the process of hiring.

Business Skills/Computer Skills: To satisfy the need for trained, skilled employees, Computer Tutor is proposing to train and place 75 unemployed individuals and/or CalWORKs recipients as medical office administrative staff personnel. Class/lab training in business skills and computer skills will be provided in medical office staff skills, as follows:

Medical Office Specialist Training: The customized medical office staff skills curriculum includes (but is not limited to) modules in medical setting, communications, managing medical information, medical accounting and billing, and medical terminology. Computer skills training for medical front office includes computerized scheduling, computerized medical billing, medical data entry and analysis, spreadsheets in a medical office, word processing in a medical office, and electronic file management.

Administrative Accounting Technician Training: The specialized accounting technician skills curriculum includes (but is not limited to) modules in the fundamental and expanded accounting equation, general journal/ledger, adjusting of entries, financial statements, closing entries, sales journaling, purchases journaling, cash receipts and cash payments journals, credit cards, banking, petty cash, reversing entries, computerized accounting, and business communications skills. The computer skills training for administrative accounting technicians includes data entry and analysis for the accounting clerk, electronic file management, word processing for the account clerk, spreadsheets in the accounting office, budgeting, and forecasting.

New Hire Recruitment Plan

Computer Tutor representatives state that for new hire trainees they will use a variety of recruitment methods that in the past have been effective in reaching out to prospective trainees who would benefit from training and placement in full-time employment. According to the representatives, these methods include contacting the Department of Employment and Training within EDD, advertising through local media, participating in job fairs, and notifying local businesses with information on the training program.

NARRATIVE: (continued)

W2W Trainee Recruitment Plan

Computer Tutor representatives state that many of the same methods of recruiting new hire trainees are also effective in reaching CalWORKS recipients. The representatives add that CalWORKS recipients will be recruited through the Community Services Agency (CSA), and that Computer Tutor has a good relationship with CSA case managers. In the past, according to the representatives, Computer Tutor has enrolled CSA clients who were CalWORKS recipients or recent exhaustees of CalWORKS benefits. Computer Tutor will also advertise Job #2 (W2W) training slots through local media and participation in job fairs.

Employer Demand

The Panel requires multiple employer contractors provide evidence of employer demand for training. Computer Tutor representatives state that a significant demand exists for trained medical office staff and administrative accounting technicians, based on surveys conducted among local employers.

According to the representatives, surveys and canvassing conducted among local employers, including prospective participating employers for this proposal, steady growth in the need for trained personnel in the two occupations covered under the proposal is anticipated. The representatives add that, as demand for health care grows, this trend is expected to continue in the greater Modesto area and throughout the San Joaquin Valley. Local employers report difficulties in finding qualified employees in these occupations.

SUBCONTRACTORS:

None.

THIRD PARTY SERVICES:

None.

PRIOR PROJECTS:

This will be the fifth ETP Agreement with Computer Tutor. The first Agreement (ET00-0162) was completed more than five years ago. The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS							
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	% Earned	Planned In-kind Contribution	Reported In-kind Contribution
ET05-0104 New Hire	Modesto	07/01/2004-06/30/2006	\$229,800	\$178,095	77.5%	\$120,500	\$93,400
ET03-0205 New Hire	Modesto	12/02/2002-12/01/2004	\$240,500	\$222,625	92.6%	\$120,500	\$112,000

Comments: These are considered to be favorable completion rates for new-hire projects.

ACTIVE PROJECTS:

ACTIVE PROJECTS						
Agreement Number / Trainee Type	Agreement Amount	Term	Planned Number To Be Retained	Number Enrolled	Number Completed Training	Number Retained For 90 Days
ET06-0230 New Hire	\$216,000	12/27/2005-12/26/2007	40	45	40*	40*

Comments: Numbers marked with an asterisk (*) are anticipated figures. The Contractor has not yet submitted final invoices for trainees who have completed training and are in the process of completing their retention periods. Contractor officials anticipate a 100 percent completion rate for this Agreement.

COMPUTER TUTOR BUSINESS AND TECHNICAL INSTITUTE

MENU CURRICULUM

Each trainee will receive one of the following two courses:

1. Medical Office Specialist Training Curriculum

Hours
Class/Lab
Job 1: 278
Job 2: 300

Business Skills

Medical Setting

- Medical Office
- Medical Employment
- Medical Ethics and Law

Communications

- Patient Relations
- Medical Front Desk Skills
- Medical Terms
- Medical Scheduling

Managing Medical Information

- Medical Forms
- Medical Reports
- Medical Correspondence
- Word Processing in the Medical Office
- Medical Office Files

Medical Accounting and Billing

- Health Insurance Claims
- Medical Accounting Procedures
- Medical Billing and Collections
- Coding

Medical Terminology

- Parts of Speech
- Prefixes, Suffixes and Root Words
- Spelling, Capitalization, and Punctuation
- Abbreviations

COMPUTER TUTOR BUSINESS AND TECHNICAL INSTITUTE

MENU CURRICULUM (continued)

Business Skills (continued)

Business Education

- Medical Front Office Procedures
- Medical Ethics And Law
- Patient Relations
- Medical Correspondence
- Medical Forms and Reports
- Medical Office Files
- Records Management
- Medical Terminology
- Medical Office Accounting Procedures
- Medical Billing
- Manual Billing
- Medical Billing And Collections
- Coding
- Icd-9-Cm (Diagnosis Code)
- Cpt (Procedural Terminology)
- Health Insurance Claims
- Managed Care Plans
- Medicare
- Medical
- Medicaid
- Medigap
- PPP
- HMO
- Workers' Compensation
- Processing Claim Forms
- Patient Superbill
- HCFA 1500 Claim Form
- E.O.B. (Explanation Of Benefits)
- Medical Scheduling

Computer Skills

- Computerized Scheduling
- Computerized Medical Billing
- Medical Data Entry and Analysis
- Spreadsheets in a Medical Office
- Word processing in a Medical Office
- Electronic File Management

COMPUTER TUTOR BUSINESS AND TECHNICAL INSTITUTE

MENU CURRICULUM (continued)

2. Administrative Accounting
Training Curriculum

Hours
Class/Lab
Job 1: 278
Job 2: 300

Business Skills

Fundamental Accounting Equation

- Assets, Liabilities, and Owner's Equity
- Broad Classification vs Account
- Balance Sheet

Expanded Fundamental Equation

- Revenues and Expenses
- Debits and Credits
- Trial Balance
- Income Statement, Statement of Owner's Equity, Balance Sheet

General Journal and General Ledger

- Journalizing, Posting
- Posting References

Adjusting Entries

- 10 Steps to the Accounting Cycle
- Cash Basis Accounting vs Accrual Basis Accounting
- Deferral-type Adjusting Entry vs Accrual-type Adjusting Entry

Financial Statements

- Creating the Income Statement, Statement of Owner's Equity, and Balance Sheet using the Worksheet and General Ledger
- Journalizing and Posting the Adjusting Entries for a Service-type Company

Closing Entries

- Journalizing and Posting the Closing Entries for a Service-Type Company
- Preparing a Post-closing Trial Balance

COMPUTER TUTOR BUSINESS AND TECHNICAL INSTITUTE

MENU CURRICLUM (continued)

Business Skills (continued)

Sales Journal

- Use of Special Journals for a Merchandising-type Company
- Use of a Sales Journal
- Use of a General Journal When Special Journals are Used
- Accounts Receivable Subsidiary Ledgers

Purchases Journal

- Use of a Purchases Journal
- Use of a General Journal When the Special Journals are Used
- Accounts Payable Subsidiary Ledgers

Cash Receipts and Cash Payments Journals

- Use of the Cash Journals
- Use of a General Journal When the Special Journals are Used
- Subsidiary Ledgers
- Use of Five Journals and Three Ledgers

Credit Cards

- Record the Acceptance of Credit Cards
- Record the Amount Over or Short (transaction does not balance)

Banking

- Setting up Bank Accounts
- Types of Endorsements
- Bank Reconciliations

Petty Cash

- Definition
- Setting up a Petty Cash account
- Changing the Amount in the Petty Cash Account
- Reconciling the Petty Cash Account
- Replenishing the Petty Cash Account

Change Fund

- Setting up a Change Fund
- Changing the amount in the Change Fund

Adjusting Entries

- Calculating the adjusting entries for a merchandising-type company, including the adjustment for merchandise inventory
- Worksheet for a merchandising-type company
- Journalizing and posting the adjusting entries for a merchandising-type company

COMPUTER TUTOR BUSINESS AND TECHNICAL INSTITUTE

MENU CURRICULUM (continued)

Business Skills (continued)

Financial Statements

- Detailed Income Statement
- Classified Balance Sheet

Closing Entries

- Journalizing and posting the closing entries for a merchandising-type company
- Post-closing trial balance

Reversing Entries

- Definition and examples
- Journalizing and posting reversing entries

Computerized Accounting

- Setting up both a service and a merchandising-type company
- Setting up a Chart of Accounts
- Setting up Customers, Vendors, Employees, Items
- Writing Checks, creating Invoices, receiving payments, entering bills, paying bills, making journal entries
- Working with lists and reports
- Correcting errors
- Bank Reconciliation
- Financial statements
- Back-up and restore

COMPUTER TUTOR BUSINESS AND TECHNICAL INSTITUTE

MENU CURRICULUM (continued)

Business Skills (continued)

Business Education

- Fundamental Accounting Equation
- Expanded Fundamental Equation
- General Journal and General Ledger
- Adjusting Entries
- Financial Statements
- Closing entries
- Business and Accounting Communications
- Sales Journal
- Purchases Journal
- Cash Receipts and Cash Payments Journals
- Credit Cards
- Banking
- Petty Cash
- Change Fund
- Adjusting Entries
- Financial Statements
- Closing Entries
- Reversing Entries
- Business/Accounting Correspondence
- Business/Accounting Communications

Computer Skills

- Computerized Accounting
- Data Entry and analysis for the Accounting Clerk
- Electronic File Management
- Word processing for the Accounting Clerk
- Spreadsheets in the Accounting Office
- Budgeting and Forecasting